

FCC's Inmate Calling Workshop
Prepared Remarks of Commissioner Mignon L. Clyburn
July 9, 2014

Good morning. It is a pleasure to welcome you here today as we analyze the impact of the FCC's 2013 Inmate Calling decision, and discuss the potential of additional reforms for inmate calling services.

We thank you all for coming and wish to especially extend our appreciation to the outstanding participants in today's workshop. There are too many to mention, but allow me to recognize Congresswoman Eleanor Holmes Norton, Darrell Baker from the Alabama Public Service Commission, and Kevin Landy, from U.S. Immigration and Customs Enforcement, Department of Homeland Security.

Reforming the interstate inmate calling regime last year was an extremely proud moment for me and this agency. The proceeding languished for almost a decade, denying friends, family and children relief from an egregious rate structure – upwards of \$17 for a 15-minute call and a \$4 per call connection fee.

With the support of my colleague, Commissioner Rosenworcel, we took action and found that the existing rates were not in line with the Communications Act's requirement of just, reasonable and fair rates.

What we are finding is that doing the right thing has reverberating benefits. Studies have consistently shown that having meaningful contact beyond prison walls can make a real difference in maintaining community ties, promoting rehabilitation, and reducing recidivism. Making calls more affordable can facilitate all of these objectives, and more.

Recent data also show that reform is critically needed. In April 2014, the Department of Justice's Bureau of Justice Statistics released a report, analyzing the five-year recidivism rates for over 400,000 prisoners in 30 states. The report found that two-thirds or (67.8%) of prisoners were rearrested within three years, and three-quarters or (76.6%) were rearrested within five years. These costs are enormous to us all – for in addition to the impact of increased crime, crowded correctional facilities, the need to build expensive new facilities, and the judicial time to prosecute these offenses, studies estimate, that it costs an average cost of \$31,000 per year to house, each inmate.

Not highlighted in this report, however, is the personal impact on families and communities. There are 2.7 million children with at least one parent in prison and they often want and need to maintain a connection. In addition to coping with the anxiety associated with a parent who is not there on a daily basis, these young people are often suffering severe economic and personal hardships and are often doing poorly in school, all of which are exacerbated by unaffordable inmate calling rates.

As a society, we have an obligation to do everything in our power to counter this. I take this obligation seriously and remain committed to making sure that the FCC does its part to make basic phone calls affordable for all ... a requirement in the statute that for too long had been ignored.

Last year's Order, adopted rate caps for interstate calls of 21 cents per minute for debit calls and 25 cents per minute for collect calls. While still higher than I would have liked, the relief for friends and families has been tremendous. Since February, when the rates went into effect, I've heard from providers that call volumes have increased as much as 30 percent.

In addition to rate caps, the Commission also made clear that regardless of the value or benefits that site commissions may provide to inmates, through inmate welfare programs or other services, such payments, should not be part of interstate inmate calling rates because they have no direct bearing on the cost of providing communications services. And, although the D.C. Circuit did stay part of the reforms, the court left in place the Commission's rate caps and critical findings on the nature of site commissions.

While a key first step, the FCC's Order acknowledged that we have more work to do. We asked a series of questions in the Further Notice of Proposed Rulemaking on additional reforms, including permanent rate caps, extended reforms to intrastate rates, and reforms on ancillary charges. To ensure that results are firmly grounded on the best data, we also required all providers of inmate calling services, to file cost data – data that are due later this month.

Today's workshop provides a unique opportunity to evaluate the impact that these reforms have had on inmates, consumers, providers and correctional facilities, and it allows the FCC to ask how best to structure additional reforms to ensure that rates just, reasonable and fair to both the consumer as well as the provider.

As we evaluate those next steps, it remains my hope that the states will follow the FCC's lead, grab the baton, and enact their own reforms. So, I'm particularly pleased that we will hear today about Alabama's inmate calling reforms adopted earlier this week.

Unfortunately, as I stand here, Alabama is the exception not the norm. Despite our cry for intrastate reform, the call has largely gone unanswered. I still hope that other states will move and do so soon but I feel that the FCC has both the duty, and the authority, to act under the statute, if the states do not, or cannot. While I hope it will not come to that if it does, I will strive to find a path where FCC reforms could act as a floor or default if states cannot or will not act.

After we adopted the reforms last year, I shared with the staff, who worked so tirelessly on the item, that this action will have an immediate impact on people's lives. Thank you notes came in almost immediately, and thanks to the leadership and support of Chairman Wheeler, additional reforms to the inmate calling regime remains a top priority.

Once again, I'd like to thank the staff of the Wireline Competition and Consumer and Government Affairs Bureaus for organizing of today's workshop. They have worked long hours

to put this workshop together – particularly Gregory Haledjian, Lynne Engledow and Kalpak Gude.

Now, I will turn the microphone over to Commissioner Rosenworcel, and again, I thank you for your role in this worthwhile effort.